

## Counterfeiting

**Legitimate issue of money and documents can be made only by an authorized government agency.** Money and documents issued by any other source are counterfeit. Counterfeiting, because it weakens the public's trust in its government and its services, is a serious offense. The making, passing, and selling of counterfeit money or government issued documents is a felony under Title 18 of the US Code. For persons subject to the UCMJ, counterfeiting is a punishable offense under Article 134.

Memorandums of Understanding between Department of Defense and Department of Justice give the responsibility of investigating counterfeiting of US obligations to the US Secret Service. Military investigators investigate counterfeiting of DOD obligations like military payment certificates, ration cards, military passes, vehicle registrations, and similar items. But

CONTENTS	
	Page
CURRENCY .....	247
Paper Currency .....	247
Coins .....	248
Counterfeit Notes .....	248
DOD OBLIGATIONS AND DOCUMENTS ..	250
Military Payment Certificates .....	250
Ration Cards .....	250
Investigative Approach .....	250

in combat areas and in countries that do not have US Secret Service agents, military investigators also investigate counterfeiting of US obligations.

US Military law enforcement agencies maintain liaison with the US Secret Service. In oversea areas, liaison is also maintained with the US State Department. Wherever they are operating, military investigators support good working relations with the local police.

## CURRENCY

The United States protects its currency by enforcing laws which prohibit counterfeiting. There are also safeguards built into currency design and production. Through liaison with the Secret Service, you can become familiar with these safeguards. They can help you recognize money which might be counterfeit.

Counterfeits usually range from deceptive to poor. A deceptive counterfeit takes more than just a cursory glance to tell the false from the real; it often requires an expert's examination. But a poor counterfeit can be readily detected by anyone having a basic knowledge of what real currency looks like.

### PAPER CURRENCY

Originally, the only method of counterfeiting paper money was by engraving. Most counterfeits, today, are made by photomechanical methods. Unskilled persons with criminal intent can make good counterfeit notes on a large scale.

All that is needed is a book on the photomechanical printing processes and some low cost equipment and supplies.

Offset lithography is the simplest and most common method of making counterfeit notes. About 1950, presensitized aluminum plates for offset printing were introduced. These plates, used on a small, high speed, offset press, allow fast production and long runs. Development of a photographic image of a note on the plate is done by ready-to-use methods. Instructions are printed on the containers. A beginner, following instructions, can make a plate of this type. The presensitized aluminum plate is exposed under a photographic negative of the note. Chemicals on the pretreated plate react and an image of the note appears on the plate. To print, the plate is moistened with water, which repels the ink from the nonprinting surface. The image is then inked and transferred to a rubber blanket roller which puts it on the paper.

Good counterfeit notes can also be made by straight photographic processes. Some counterfeiters, using very thin photographic paper, make separate prints of the front and back of the note they are copying. Then they glue the prints together to complete the note. Others use photographic paper that is sensitized on both sides. With this paper they get prints on both sides of the note and on the same sheet. Colors in the seal, numbers, and back of the note are often applied by hand, using photographic toners or photo coloring tints. Color photographic processes can be used, but they are not too practical. They have a high cost, a slow rate of production, and a surface gloss. Counterfeit notes also may be made using the Xerox process on a high quality paper. Bills made this way are often passed in changemaking machines, which use a scan process to check the validity of a bill.

Other counterfeiters use genuine notes, which they alter to raise the notes' value. "Raising" a \$1 bill to a \$10 bill is common. One way to alter a note is by pen and ink. The denomination markings or other note features are removed with abrasives. The changed design is drawn in and blended with the true features.

Another way is by the pasteur method. The counterfeiter tears one or two corners from notes of the same denomination. When he has four corners, he thins the corners on a good note of a smaller denomination. Then he pastes on the "new" corners, using pen and ink to blend them in.

Sometimes the pieced method is used. Different sections are torn from several notes of the same type and denomination. The torn pieces are put together to make another note. And if no more than two-fifths is torn from a real note, the note can still be redeemed for full value. Some counterfeiters split the paper of notes of several different denominations. They paste the front of the higher bill to the back of the lower bill and vice versa for the other two sections. They try to pass both notes with the higher value showing. Sometimes a counterfeited front or back is pasted on a split note. And sometimes counterfeiters bleach real notes. This removes the ink, leaving a blank piece of real currency paper. Sometimes only the

denomination markings and portrait are bleached out. Using a counterfeit plate, they print notes of a higher denomination on the paper. The advantages of real paper make this method popular.

### COINS

The minting of real silver coins was stopped in 1965. These coins have a true, bell-like ring that counterfeits often do not have. Real silver coins are silver-grey in color. Counterfeits are often a dull, lead grey.

The new 10-cent and 25-cent clad, or plated, coins are a bit lighter than earlier silver coins. These coins are dated 1965 and later. The surface has the same color and texture as the current 5-cent piece. A band of copper can be seen along the edge. This band turns dark during circulation. The new clad 50-cent pieces, dated 1965 and later, are identical to the earlier silver coins. Clad coins are hard to counterfeit because of their features.

### COUNTERFEIT NOTES

Information about counterfeit money and US documents must be given, at once, to the closest Secret Service office. This is done even when the information seems unimportant or comes from questionable sources. Your information, when added to their files, may help piece together details of a large counterfeit ring or of the work of a suspected counterfeiter.

The Secret Service keeps a file of the work done by counterfeiters. A comparison of newly found counterfeit bills with those on file often can identify the inventor. The file also contains the denomination, type of note, check letter, faceplate number, and backplate number of known false notes. If you suspect a bill is counterfeit, these are the items of information you need to give to the Secret Service. Local standing operating procedure will tell you how to refer counterfeit cases and information to the US Secret Service.

When suspected counterfeit money is made known to you, remember that you are not the expert in deciding if the money is counterfeit. This is the responsibility of the laboratory examiners who test the currency for you. The lab examiners can give breakdowns in inks and paper. They can make detailed comparisons of counterfeit notes and coins.

And they can help identify fingerprints. But there are preliminary checks you can make to decide if suspect currency is likely to be counterfeit.

Counterfeit notes can be detected in a number of ways. They may differ in color, shade, or type of paper. They may vary in lines of design. Or they may be missing the distinctive red and blue threads which the US Treasury puts in the paper. If you suspect a bill is counterfeit, look first at the type of paper, ink, and printing technique. Then compare it with a real bill for specific evidence of counterfeiting.

Compare the texture of the papers. Usually counterfeiters use a high-grade bond paper. They soak it to give it the worn look and color of a real bill. This paper may have printed or hand-drawn red and blue fibers like those of true bills. But the fibers in a true bill can be lifted from the paper by a sharp instrument. Check for signs of watermarks on the paper by looking through the note toward a strong light. Watermarked paper is proof of a counterfeit. Check the faceplate impression. In true currency, it is larger than the backplate impression. And check the edges of the paper for signs that two pieces of thin paper have been glued together.

Compare the glossiness or dullness of the ink with the ink on a real note. Rubbing the ink off on paper or cloth is not a valid test. The ink on both real and counterfeit notes will rub off this way. Then check the features of the suspected counterfeit. The portrait on the bill is often the best indicator of a counterfeit. On a real bill, the fine crisscross lines on the background are well outlined. The eyes are clear, bright, and lifelike in the portrait. The counterfeit portrait is often lifeless in appearance. The eyes and lips of a counterfeit will often lack expression. In counterfeit bills, the background lines often appear to be almost solid black. Or there may be many white spaces showing. And the lines of the lacy design of a counterfeit bill will appear to be spotty. Instead of being smooth and even, they often appear as dots.

Examination of the treasury seal under magnification may show it lacks the heavy outline of ink used for the seal on true bills. The saw-teeth of the treasury seal in a true note are sharp and clear. In a counterfeit,

they may be rounded off or almost lacking. The Latin inscription inside the true seal is legible; in many counterfeits it is not.

The serial numbers on true bills are evenly spaced and aligned. The spacing between prefix and suffix letters is the same as the spacing between numbers. Often, counterfeits are not evenly spaced and aligned. The letters and numbers also may be of a different design, shape, and appearance. The serial numbers on a counterfeit bill may differ in appearance or color from those of a true bill. And check portraits and denomination markings to detect notes whose value has been raised. All features must belong to the same denomination of note.

Most quality counterfeits are made on negatives, or plates, that have been retouched. Look for lines, dots, or printed areas that have been made heavier or extended by retouching. Look for blank areas or changes of printed areas. And look for distortion that might have been caused during the process of photography.

Counterfeit coins sometimes can be detected by you as well as by laboratory tests. If you think a coin may be a fake, compare it with a real coin of the same face value and type. Note the mint date. See if it matches the date on the counterfeit coin. Examine the quality and detail of the engraving. The edge's corrugations should appear sharp, evenly spaced, and alike.

Try rubbing the coin vigorously between the palms of your hands, against a jacket sleeve, or a piece of cloth. The heat from the friction will cause a counterfeit coin to give off a tinny odor. And sometimes fake coins feel extra greasy.

One method of testing usually done at the lab involves cutting the edge of the coin with a sharp tool. Counterfeit coins have a high percentage lead content. The outside surface may be hard to cut, but the inner metal, which is exposed on the coin's edge, will cut easily. Another method done at the lab involves mixing a solution and putting the mixture on the coin's surface. If the coin is real, nothing happens. If the coin is counterfeit, it often turns black.

## DOD OBLIGATIONS AND DOCUMENTS

Black-marketing and currency manipulations can be expected in many overseas areas where US troops are stationed. To fight these problems, the DOD issues military payment certificates (MPCs) and ration cards. These are not the only government issuances. But they are the ones most often counterfeited, because they offer the greatest chance for quick profit.

### MILITARY PAYMENT CERTIFICATES

The paper used for printing MPC has small red and blue plastic discs embedded in it. The discs in counterfeit MPCs are often small colored dots printed on the surface of the paper. Some dots are drawn on the paper with ink. Often, no attempt is made to simulate the discs. Because the discs are scattered at random in real MPCs, some of them are inside the paper and cannot be seen on the surface. When a counterfeit MPC is held up to the light, no shadows will be seen of the discs inside. In a real MPC, many such shadows can be seen.

Real MPCs are often altered to raise the face of the bill. For example, the number 5 may be cut from a 5-cent certificate and pasted over the 1 of the 10-cent certificate so it reads 50 cents. Unless the certificates are looked at carefully, they may escape detection, because the paper and printing of the raised certificate is real.

MPCs printed on true paper give off a fluorescent color under ultraviolet light. The ink used in printing the true paper does, too. This allows large numbers of the certificates to be checked quickly by untrained people.

The fine-line designs in real MPCs are carefully done. Photochemical processes are not able to equal the line quality of real certificates. Seen under low magnification, counterfeits will show defects in the lines.

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### RATION CARDS

Ration cards are a control measure for post exchange and commissary items having black-market value. False ration cards are often a part of black-market operations. US soldiers are paid to use false ration cards and buy from post exchanges and commissaries. In some cases, counterfeit ID cards are used too.

The best method of detection is to compare a suspected card with a real one. False ration cards often are printed with off-color ink. And a close look will show flaws in the design, too.

### INVESTIGATIVE APPROACH

The investigation of a counterfeit activity usually starts with the passing of a counterfeit. The problem is to find its source. In the Army, counterfeit money is usually passed by unsuspecting persons. Even when false bills are passed deliberately, the passer seldom carries more than one false bill at a time. That way, he may claim innocence. After a bill is successfully passed, a partner gives the passer the next false bill.

The best place to start your investigation is to ask the passer where he got the counterfeit. You should also question persons who know the passer to learn about his character and his activities. You can keep the passer under surveillance to see if he or she was aware that the money was false. If the passer is active in counterfeit rings, he may lead you to his source. You may even be led to the printing plant itself.

Because the most profitable use of false ration cards is to buy illegal amounts of rationed items, investigating these cards usually occurs as part of a black-market investigation. Finding out who buys and sells illegally-purchased items may help lead you to the counterfeiter.